
HOUSE BILL 1769

State of Washington 60th Legislature 2007 Regular Session

By Representatives Ericks, Strow, Simpson and Linville

Read first time 01/26/2007. Referred to Committee on Finance.

1 AN ACT Relating to an allowance for retailers for sales and use tax
2 collection costs; adding a new section to chapter 82.32 RCW; creating
3 a new section; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that sellers provide
6 a valuable service to the state of Washington and its local governments
7 by collecting and remitting sales and use taxes and that in performing
8 these services sellers incur significant costs as outlined in the
9 recently completed joint cost of collection study, which shows the
10 incremental costs incurred by sellers due to the state's imposition of
11 the duty to collect sales and use tax. The failure to reimburse
12 sellers for this service amounts to a hidden tax in the form of a
13 government mandated cost of doing business on sellers that is not
14 similarly born by nonretail businesses. The legislature declares its
15 intent to correct the inequity caused by the mandate on sellers to
16 collect sales and use taxes by providing for reimbursement to sellers
17 who collect, timely report, and remit those taxes. The money to pay
18 this allowance shall come entirely from state funds. Further, the
19 legislature finds that there is a significant connection between the

1 training provided by sellers to people entering the job market and the
2 training provided by a vocational-technical or junior college education
3 so that part of the funds provided for in this act should be dedicated
4 to providing student access to those educational institutions.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.32 RCW
6 to read as follows:

7 (1) A seller, who collects and remits state and local sales and use
8 taxes, is entitled to reimbursement of the expenses the seller incurred
9 in collecting and remitting these taxes in the form of a credit, as
10 provided in this section.

11 (2) The credit is equal to ninety percent of the amount calculated
12 in subsection (4) of this section. The credit is taken on the combined
13 excise tax return for the same reporting period in which the taxable
14 sales occur.

15 (3) An amount equal to ten percent of the amount calculated in
16 subsection (4) of this section shall be transferred by the state
17 treasurer, as directed by the department, to the workforce training and
18 education coordinating board. The board shall use the money for the
19 Washington award for vocational excellence program under chapter 28C.04
20 RCW.

21 (4) For the purposes of determining the tax credit under subsection
22 (2) of this section and the contribution to the Washington award for
23 vocational excellence program under subsection (3) of this section, the
24 amount of the credit shall be calculated as follows: One and one-half
25 percent is multiplied by the state sales tax under RCW 82.08.020(1) and
26 general local sales taxes, due on a return for a reporting period in
27 which a taxpayer claims a credit under this section.

28 (5) The credit provided for in this section is taken only from the
29 state's portion of the taxes due on the return and does not reduce the
30 amount due to any city, county, or other municipality.

31 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2007.

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